Social Capital and Public Policy

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The 1998 report of the Council on Civil Society sounds as if it could have been written yesterday:

As we become an increasingly fragmented and polarized society, too many of our fellow citizens are being left behind, not participating in the benefits of economic growth and free society. And as our social morality deteriorates, life becomes harsher and less civil for everyone, social problems multiply, and we lose the confidence that we as Americans are united by shared values. These two closely related conditions endanger the very possibility of continuing self-governance.

The report decries the erosion of social morality and civic life in an increasingly divided country. Signed by intellectual leaders on the left and right (such as James Q. Wilson, Robert George, and William Galston), it forcefully posits the importance of self-governance, moral realism, and civil society to democratic life. Yet at the same time, the council’s call to ground political decision-making in this understanding of the centrality of the civic sphere sounds utterly anachronistic. And the fact that its signatories also included politicians of both parties (like then-senators Joe Lieberman and Dan Coats) places it plainly in another era altogether.

Something strange has happened in the intervening two decades: Academics have learned a lot more about the importance of civil society and social capital, yet politicians have come to talk about it a lot less. In the 1990s, policy reforms rooted in an awareness of the power of local civil society proliferated, and academic research on social capital was

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only beginning in earnest and struggling to catch up. In retrospect, it seems the council was lamenting the attenuation of civic bonds at a time when interest in them among policymakers was at its peak.

In the years since, research has taught us that social networks, voluntary activity, and other sources of social capital are positively correlated with a wide range of vital goods, such as better health, less crime, better jobs, more happiness, more effective schools, and more productivity. If we could sum up social capital’s benefits, we might say that they serve two of the things Americans care most about: economic well-being and happiness. But our political leaders have lost the knack for talking about this straightforward fact, and although the case for grounding policy in an appreciation of the importance of social capital is now better supported than ever, it is also much more rarely articulated. To see how that might change, we should begin by considering how our interest in civil society and social capital began—and how we let it slip into the background of public debate.

The middle and late 1990s saw an explosion of scholarly interest in the health of American civic life. With the publication of his celebrated essay “Bowling Alone” in 1995, Harvard social scientist Robert Putnam jump-started an academic cottage industry focused on the study of civic and social health. While he did not invent the term “social capital,” Putnam popularized it and converted it into a field of academic inquiry. By the time his essay was expanded into a book, published in 2000, the field was already booming.

Putnam’s contention that civic participation in America was in decline attracted massive attention and follow-up research. Some academics countered his evidence with research of their own, suggesting that social capital and civic health in America were faring better than Putnam had suggested in some key respects. But there was widespread agreement among scholars and analysts that, even given some disputes about specific claims, social capital had taken a hit in America on the whole. And in the years that have followed, the evidence has grown. As the inaugural 2017 report of the Social Capital Project of the congressional Joint Economic Committee documents, “associational life” in America has been fraying as measured by family breakdown, lower levels of religious involvement, declining community participation, and ruptures in the nature of work.

Putnam did not write about the dangers of civic decline and isolation in a vacuum. The health of civil society had been on the minds of
various reform-minded intellectual leaders at least since Richard John Neuhaus and Peter Berger first published *To Empower People* in 1977, arguing that American society’s success hinged upon the health of “mediating structures” — those institutions and organizations that stand between the state and the individual, and through which we practice self-government. Precursors to their influential work can be found in books such as Robert Nisbet’s 1953 classic, *The Quest for Community*, which similarly argued that intermediate institutions are essential to civic health and a well-functioning democratic society.

It was not until the 1990s, however, that concerns like these began to garner intense, mainstream attention among American social scientists. They coincided nicely with a burgeoning communitarian movement among some progressive-leaning academics, which is evident, for instance, in the work of Michael Sandel and Robert Bellah. And they also complemented the conservative view that social problems would be best addressed locally and by those who have a stake in fixing them; Marvin Olasky’s influential 1994 book, *The Tragedy of American Compassion*, for example, exposed the usurpation of local charitable organizations by federal policy.

And at first, this rising interest among academics was met with open arms by some politicians. President Bill Clinton went out of his way to speak in communitarian terms and was open to some forms of the de-centralization of social policy. In 1995, Senator Dan Coats, a Republican from Indiana, introduced 19 bills under the banner of a “Project for American Renewal” aimed at empowering the institutions of civil society to address poverty and related issues at the local level. These and other such initiatives created the environment out of which grew the “compassionate conservatism” that framed the domestic-policy agenda of George W. Bush’s 2000 campaign.

And at the local level itself, particularly in urban areas, these ideas were on full display. In retrospect, and especially in contrast to our own time, cities in the 1990s were lively policy laboratories rooted in a deep appreciation for the potential of civil society. Indeed, one could think of the ’90s as “The Decade of the Mayor,” as prominent mayors (of both parties) oversaw, and sometimes conceived, policy initiatives that placed a renewed responsibility for solving social problems on local actors.

The state and federal policy reforms of the 1990s were not planned as civil-society initiatives per se. Rather, they presupposed the importance of community and local networks in their design. Community policing,
welfare reform, charter schools, school vouchers, public-housing reforms, and the Moving to Opportunity demonstration program were all designed to address issues related to the poverty and crime that 20th-century social policy had failed to solve. All the reforms had the common policy goal of moving solutions to social problems from central bureaucracies to the community level in ways that involved families, nonprofits, and businesses as essential actors in policy implementation.

Most of these reforms were preceded by years of research, analysis, and experiments focused on repairing failures in social policy. The decade of the 1990s can be seen as a kind of culmination of ideas about the role of communities in addressing social ills. Welfare reform is perhaps the best known among the domestic-policy transformations of the 1990s, as it was a major Republican priority that was ultimately signed into law by a Democratic president and implemented by state and local officials of both parties.

Most of the debate about welfare reform, both before its passage and in the years that followed, focused on its requirements that welfare recipients find jobs or prepare for work. That debate continues today as policymakers consider extending work requirements to other social-welfare programs. Less discussed were the devolutionary dynamics of welfare reform. Replacing the old welfare program, AFDC, with the new one, TANF, involved a massive shift of responsibility from the federal government, which had formerly been responsible for distributing cash to low-income families, to states made newly responsible for ensuring low-income people successfully moved into work. This meant that state welfare agencies designed to dispense federal benefits now had to play an active role in helping their clients find or prepare for work, which by necessity elevated the role of the supporting community organizations. Helping low-income people with little to no work history required various types of assistance that local, community-based and faith-based organizations were well situated to provide. Likewise, the law’s goals of bolstering marriage and reducing unmarried births made sense only if the local institutions of civil society were involved.

States that devolved more responsibility for TANF policies to localities, engaging in what has been called second-order devolution, saw a greater decline in welfare caseloads and better earnings among the welfare population than states that devolved less responsibility. As TANF was implemented, crime fell among low-income women, and, as social scientist Scott Winship has documented, child poverty has fallen since
1996 as low-income families have fared much better than many critics of the reforms have acknowledged. A healthy economic environment clearly aided the move from welfare to work, but it also seems evident that situating responsibility at the local level was an important part of the success equation.

Unlike welfare reform, which proceeded from changes to federal law, the school-reform movement that hit its stride nationwide in the 1990s began at the state and local level and spread nationally through a kind of policy contagion as states learned from one another. The first charter-school law was passed in Minnesota in 1991, and within a decade there were more than 2,000 charter schools around the country. That number more than doubled over the next 10 years, and today there are nearly 7,000 charter schools serving around 3 million students in 44 states and the District of Columbia. The charter-school movement was important not only because it disrupted the hegemony of poorly performing local school districts, but also because it was premised on the idea that parents and local officials should have more say in how schools are run.

Unlike traditional public schools, charters are designed to be closed if they underperform, which places a healthy pressure on key community stakeholders to be involved in the ongoing operation of the school. Just as welfare reform devolved responsibility for work-first policies to states and localities, charters effectively devolve responsibility for success to the parents and community leaders on the schools’ boards. While studies vary on the effectiveness of charter schools, they have been found in many states to show improvement across a range of outcomes, from student achievement to overall school performance.

Parallel to the charter movement, but not as large in size, has been the school-voucher movement, which became nationally prominent with the creation of the Milwaukee Parental Choice program in 1990. Though they have typically been more controversial than charters, voucher programs have grown to serve more than 180,000 students in 15 states. As the name of the Milwaukee program indicates, voucher programs have always been based on the idea that the fundamental unit of civil society, the family, should have the ultimate say in children’s education. Perhaps more than other reforms, the movement to expand charters and vouchers over the past 30 years bases itself on a Tocquevillian understanding of American civic life in which families, local officials, nonprofit organizations, and local foundations work together to achieve a public benefit.
The 1990s were also an era of major reforms to public housing. The HOPE VI program was launched in 1992 to replace public housing projects with mixed-income communities. One of the worst legacies of the Great Society, public housing projects in urban centers across the country had become living symbols of urban decline, crime, poverty, and violence. HOPE VI, an outgrowth of prior efforts by Jack Kemp (first as a congressman and then as secretary of Housing and Urban Development) to increase the stake of the poor in their communities, has demolished approximately 98,000 units of housing and replaced them with an almost equal number of affordable rental units, subsidized public housing, and market-rate rentals. The program was designed to reconceive public housing in terms of community rather than shelter alone, giving residents a greater stake in their neighborhoods.

A concurrent demonstration project at HUD, Moving to Opportunity, was also created by Congress in 1992 to move 4,600 low-income families to neighborhoods with less poverty. MTO has been the subject of much-publicized research by scholars with the Equality of Opportunity Project, as it has shown that the children who moved into lower-poverty neighborhoods have higher earnings, better school outcomes, and higher college-attendance rates later in life than children who remained in the low-income neighborhoods. Among MTO’s most compelling findings are the importance of two-parent families, and of living in neighborhoods populated by two-parent households. Outcomes among children of single parents living in communities with a majority of two-parent families were closer to those among children with two parents than to those among children with single parents in the original low-income communities. In this sense, MTO found that it does indeed “take a village” to raise a flourishing child. The importance of social capital is one of the clearest lessons of MTO, as community-based relationships and institutions play a key role in producing outcomes like improved educational attainment and higher incomes.

Community policing predates this era of reform, but it proliferated across the country in the 1990s. An approach to law enforcement designed to work with community residents and neighbors to prevent crime and improve public safety with citizen involvement, community policing was born at a time when studies began showing that traditional policing strategies had little effect on crime rates. At its core, it is rooted in an acknowledgement that relationships and networks matter most for
overall community health and can achieve what centralized, command-and-control governance never can. Local police departments had been adopting community-policing practices since at least the 1960s, but it was after the passage of a 1994 federal law providing resources for community policing for the first time that it spread widely. About 20% of municipal police departments were practicing community policing in 1994; that figure had grown to 68% by 2003. As of 2017, 81% of the U.S. population lived in communities with this approach to policing, and the available research suggests a significant positive impact on crime reduction alongside improvements to citizen satisfaction with police departments.

That this explosion of policy experimentation and interest should coincide with an increase in scholarly work on questions of civil society and decentralization is hardly surprising. But the link between scholarly interest and policy focus has not been sustained.

Then and Now

The interest in civil society and social capital among policymakers in the 1990s began to wane in the early 2000s, just as scholarly interest was skyrocketing.

President George W. Bush’s Faith-Based and Community Initiative led to a round of regulatory reforms aimed at welcoming smaller and religious organizations into federal programs; it also voucherized a tranche of federal substance-abuse treatment dollars and experimented with community-based prisoner-reentry programs. But the initiative did not result in major, structural changes to policy in the way that TANF, HOPE VI, and community policing did. Other major domestic-policy achievements in the 2000s—from No Child Left Behind to Medicare Part D to the Affordable Care Act—expanded the federal government’s role in the education and health-care sectors.

There has been resistance to this trend: The Tea Party wave of 2010 was largely fueled by anti-government sentiments stoked by the Obama administration’s stimulus spending and aggressive moves on health care. But it was not a policy-driven movement with a coherent view of the federal government’s relationship to states and communities. And there has been no notable interest in civil society or in empowering states and localities during the Trump era. Though there have been some praiseworthy individual pieces of legislation, on the whole policymaking since the early 2000s has reflected a decisive shift in priorities from the preceding decade.
Take the difference in rhetoric between the 1994 Republican revolution, framed in the storied “Contract with America,” and the lesser-known 2010 Tea Party “Contract from America.” The now-famous (or infamous, depending on one’s point of view) “Contract with America” not only rallied Republican congressional candidates around 10 core policy goals; it presupposed that families and communities were central to successful policy reform. Four of the 10 provisions of the contract had to do with strengthening families and communities through a combination of welfare reform, increased household savings, more marriages, more adoption, greater parental choice in education, and safer streets and schools. Critics of the contract claimed that the anti-crime and welfare-reform proposals were mostly punitive in nature, but the underlying themes of the contract clearly betray a strong faith in the core institutions of civil society to preserve and advance well-being in America.

While the contract bore similarities to some Tea Party critiques of big government 15 years later, it was not anti-government. In fact, it stated that a new Republican-majority Congress would pass the 10 policy proposals to restore “the faith and trust of the American people in their government.” The idea was that with greater fiscal probity, greater accountability to citizens, and power situated in communities rather than Washington, America’s relationship to government would rebalance.

By contrast, the Tea Party’s “Contract from America,” which billed itself as a grassroots, crowd-sourced set of principles and agenda items, was focused entirely on fiscal reforms, government spending, and reversing the Obama administration’s environmental efforts. It was much more libertarian in spirit than the Contract with America, positing individual liberty, limited government, and economic freedom as its orienting principles. There are no references to families, communities, or institutions other than the document’s core preoccupation: the federal government. Ironically, the agenda of a thoroughgoing grassroots movement did not envision a role for civil society, while the Contract with America, designed by Republican party leaders in Washington, saw civil society’s institutions as central to successful reform.

There was certainly much to protest in the overreach of federal power in the Obama era. But somehow, all the aspects of Obamacare, the stimulus bill, and the administration’s environmental goals that limited, and even threatened, the ability of localities to be self-determining failed to grab the attention of Republican critics. The shift of power
away from communities and into the sphere of federal administration was an implicit and at times explicit goal of the Obama administration. One can imagine a reaction against this approach that, much as with the 1994 backlash against early Clinton-administration goals, reasserted the principles of federalism and self-governance at the community level. But the Tea Party movement arose in a period when these concepts were simply not in the air. The Contract from America depicts a contest between two entities: the individual and Leviathan. Mediating layers are nowhere to be found in its political vocabulary.

The same pattern can be found in the national party platforms. The 1996 Republican platform, for instance, mirrors many of the concepts of the 1994 Contract with America and contains many familiar Republican claims, such as the need for a limited government and more economic dynamism. The 2016 platform contains standard Republican fare, too. Where they differ most notably is on the issue of community and federalism. For example, the 1996 document says, “Because a good society rests on an ethical foundation, we believe families, communities, and religious institutions can best teach the American values of honesty, responsibility, hard work, compassion, and mutual respect.” A few lines later it claims, “Because we trust our fellow Americans, rather than centralized government, we believe the people, acting through their State and local elected officials, should have control over programs like education and welfare—thereby pushing power away from official Washington and returning it to the people in their communities and states.”

These concepts are less prominent in the 2016 platform, which offers a vocal defense of freedom and constitutional rights but says far less about the role of those mediating structures on which the 1996 authors relied. In the preamble, the only mention of families, communities, and religious organizations is in a clause criticizing Democrats for attacking these institutions. Consistent with the 1994 Contract, the 1996 platform saw local and state governments in a positive role, exercising authority at the community level. While the 2016 platform included a section on family, education, health care, and criminal justice, today’s Republican Party depends far less on community institutions in its vision for the future.

Ironically, a more superficially populist Republican party had less to say about moving power toward the public. The 1996 platform asserted: “We aim at nothing less than an economy of dynamic growth; a renewal of community, self-government and citizenship; and a national
reaffirmation of the enduring principles on which America’s greatness depends.” By 2016, community renewal and a self-governing citizenry had dropped far lower on the list of Republican priorities.

And the same pattern can be found among the Democrats. The 1996 Democratic platform is aspirational and largely value-driven, celebrating opportunity, responsibility, and community; it contains an entire section on community that states at the outset, “When Americans work together—in our homes, our schools, our houses of worship, our civic groups, our businesses, labor unions and professional associations—we can meet any challenge, and realize every dream.” The 2016 platform, by contrast, is more alarmist, focused on the economy, health care, and inequality. The 1996 version’s section on communities contains sub-sections on community empowerment and on putting families first. The 2016 platform is almost entirely devoid of such policy frames. Its use of words such as “family” and “community” are in the perfunctory policy vernacular, such as “working families” needing assistance or not leaving any “community” behind in the fight against climate change. The 1996 platform, much like its GOP counterpart, clearly reflects a different socio-political era, in which the building blocks of civil society were considered essential to policymaking.

The decline of the concepts of social capital and civil society in our public discourse has left a lot of space available for other, less palatable ideas to come to the fore. For instance, in the aftermath of the Great Recession, debates about inequality and the future of work have prompted calls for a universal basic income, a policy which has made strange bedfellows of some libertarians on the right and tech prophets on the left. Support has grown for wage subsidies to boost the take-home pay of the working class, and the idea of guaranteed jobs has been dusted off and put back on the table.

Some of these ideas are better than others, to say the least. But it is astonishing how absent the notions of place and community are from our discussions about upward mobility and inequality—which, after all, vary considerably across the country. One could even argue that there is no such thing as a national solution to inequality and economic mobility. As the research on the MTO demonstration project found, neighborhoods can have a significant effect on the prospects for upward mobility of low-income children. The same team of researchers has also found that economic mobility varies widely by metropolitan area. To put it crudely, it is better to be born poor in some places than in others.
Understanding the roles of networks, relationships, and communities in creating opportunity would help contemporary policymakers enormously. But those concepts are simply not on their minds.

**Relationships Matter**

Recovering a richer understanding of social capital and civil society in our public discourse and deliberations about policy is essential for much more than rhetorical reasons. If we ignore or downplay the role that relationships play in our lives, we will fail to address the prevailing challenges of our day, such as social mobility, inequality, and the breakdown in civic norms that has resulted in bitter social divisions. The flashpoints of our contemporary social crises are interrelated in ways that most policy solutions don’t acknowledge. We desperately need a reconsideration of how we live life together, how we collaborate to solve problems, and how we make connections between people.

To begin with, the academic literature is clear that higher levels of social capital produce greater community stability and life satisfaction. Our well-being is deeply intertwined with the quality and nature of our relationships. And types of community matter. Putnam, for instance, in his study of religion in America, found that friendships within one’s faith community are “supercharged” relationships that lead to greater levels of generosity and happiness.

A recent survey my American Enterprise Institute colleagues and I conducted found that people who talk with their neighbors and count neighbors among their friends have lower levels of loneliness. Neighborliness is also correlated with living in communities with a greater concentration of amenities, likely because a sense of place binds people together. We also found, consistent with Putnam, that people who regularly participate in the services and activities of religious organizations are more likely to work with neighbors to fix community problems and to feel in tune with the people around them.

Connections based on trust and familiarity — the building blocks of social capital — benefit people in ways they often don’t recognize. But because such concepts are practically absent from the public square, our policy debates about inequality are framed mostly by some serious (and many unserious) ideas about wage subsidies, guaranteed jobs, apprenticeships, career and technical education, and who should pay more taxes to redress whose problems.
But how much can wage subsidies, improved career- and technical-education programs, or even college access accomplish if people do not possess the relationships, social networks, and abilities that allow them to take advantage of opportunity? Without relational networks that can help guide and connect us to others whose help we need, and who need us, even the best public policy will have limited effects. While trust and happiness may at first appear to be “soft” issues, they actually produce hard outcomes for individuals and communities.

It is easy to assume that landing a job based on “who you know” is an experience reserved for the wealthy and privileged, but low-income people also benefit enormously from networks. A 2016 study by Sandra Smith and Kara Alexis Young of the University of California, Berkeley, revealed that social networks play an especially important and positive role in helping low-income people find jobs. Low-income job-seekers with richer webs of relationships are more likely to find work, and they typically earn more than their peers without networks. A 2018 Federal Reserve Bank of St. Louis study found that people who find jobs through personal and social networks experience better wage gains over time than those who find jobs by applying directly to a company or responding to a job posting. Having more peers and friends also helps people end periods of unemployment more quickly.

Social capital pays off economically not only for job-seekers but also for the places in which they live. One county-level analysis found that places more densely populated with voluntary associations, faith-based organizations, and labor and business associations also had higher levels of household-income growth than places with fewer such institutions. Another study of 34 countries posited that social capital seems to affect economic growth at least as much as human capital. The same study’s findings also suggest that social capital has roughly the same effect on poor countries’ growth as their ability to adopt technological innovations pioneered by richer countries. If civic institutions and social ties actually do matter as much as education levels, for instance, failure to factor them into plans to address poverty and social mobility means the effects of those plans will be severely limited.

As these lessons are applied to domestic policy going forward, the most salient concept will be “bridging social capital.” Unlike “bonding social capital,” which are the ties that bind us together as groups, families, and tribes, bridging social capital (or what sociologist Xavier de Souza
Briggs once called “leveraged social capital”) connects us to people outside our immediate communities. Whereas bonding social capital is (or should be) essential in moral formation as parents inculcate moral habits in their children, and is evident when friends help each other in times of need, bridging social capital is critical in connecting people with opportunity. This is clear, for instance, in the case of low-income, high-achieving high-school students. Research by Caroline Hoxby and Richard Avery shows that such students often do not apply to top-tier universities for which they are qualified because no one in their networks, including their teachers, has any experience with such universities.

It was also evident in the MTO study among the low-income children who succeeded in college after attending junior high school and high school with higher-income classmates from two-parent homes. Their “adopted” community likely provided bonding social capital the longer they were in it, but it also provided a bridge to new aspirations and new networks of opportunity to help fulfill those aspirations. Given today’s geographic segregation, with high-income, two-parent families living in their zip codes and lower-income, single-parent families living in others, creating bridges should be a primary goal of social policy in coming years.

THE CIVIL-SOCIETY MODEL

We should deploy what we have learned about social capital in the 20 years since the Council on Civil Society report by adopting one of its main policy guidelines: Use a “civil-society model” for evaluating public policies and solving social problems. The report contrasts the civil-society model with the “old model” of government regulation and economic incentives. A civil-society model tries “not so much to specify outcomes as to shift probabilities, primarily by protecting, and when possible, enhancing the overall ‘climate’ of institutions and ideals that constitute civil society.”

What might policymaking centered on civil society look like? For starters, it should aim to strengthen social networks in ways that enhance opportunity for lower-income people and others whose limited options stem, at least in part, from the limits of their social and professional networks. It should also aim to increase the odds that richly networked people will be involved, either of their own volition or because of institutional changes, in building up the stock of social capital in their own communities and in the lives of those who will benefit
the most from it. Reforms to welfare and schools in the 1990s are good historical examples of these two dynamics.

A renewed effort to integrate the virtues of social capital into policymaking could be especially helpful in increasing the quality of occupational prospects for low-income young people, reconnecting hard-to-serve adults with jobs and community, and better enabling lower-income people generally to plan and save for the future.

Thinking about subsidies should take a back seat for a while to the driving question of how to connect lower-income families to information, networks, and relationships that lead to high-quality, opportunity-rich learning and job opportunities. Technology exists to identify which jobs and skills are growing in specific geographic areas and what their income potentials might be. Some states have data on which post-secondary institutions are most effective in equipping people for those growing professions. What does not exist are parents, teachers, students, coaches, and counselors with that information easily at their fingertips.

A modernized approach to regional workforce-development policies would borrow a page from the school-reform movement and make the student and the community the central organizing concepts for policy. Modernization would also allow a wider range of entrepreneurial, unaccredited providers of training and certifications. In addition, using public funds for supportive purposes—such as helping someone move across town to be close to training, or helping to overcome financial barriers to completing a course, whether it be car repairs or child care—is just as important as covering tuition itself. Completing college and entering the workforce are key elements in the creation of bridging social capital. Lessons from welfare and school reform about situating responsibility at the community level and creating competitive pressures on the supply side of learning should be the building blocks of a new approach to post-secondary education—an arena of policymaking that has been too preoccupied with college access for too long.

Social capital should be at the center of our efforts to help hard-to-serve adults whose prospects are especially daunting due to incarceration, drug abuse, or mid-career job displacement. The expectations and accountability that come from being in a community of people who care are invaluable. For instance, as the criminologist Grant Duwe has shown, even sex offenders can in many cases re-integrate into society without re-offending when they are embedded in a group of people who hold them accountable
after they leave prison. While many prisoner-reentry programs have shown disappointing results, the literature suggests that, along with services such as cognitive-behavioral therapy, education, and job preparation, having people from the community—like employers, church members, and neighbors—involved in the lives of former criminals both before and after release increases the odds of successful integration into society. It is not enough simply to have a job. Being in community, complete with all of the accountability and social capital it affords, is also crucial. Once again, if we treat adults facing serious difficulties as merely economic actors in need of subsidies and jobs, our best policy ideas will fail.

Finally, social capital should be just as important to the future orientation of low-income people as it is to affluent people. In higher-income homes, friends and family members talk about the future, how to reach goals, and who within their networks can help. Low-income households are understandably more oriented toward the present, as daily needs consume their time and resources. But as programs such as the nonprofit Family Independence Initiative (FII) have shown, lower-income families can achieve a lot—including saving money and buying homes—when they work to solve problems together with neighbors in their communities. Numerous studies have found that community-based self-help groups can promote a culture of savings and mutual aid.

Children in wealthier families benefit not only from having more to invest in the future, but also from living in homes with a strong future orientation. Savings, college, and experiences that prepare them for life are simply a given and are reinforced through their social networks. There is no reason they should not be a given for low-income families as well, but it will take effort to replicate socially entrepreneurial efforts such as FII so that schools, houses of worship, community-development groups, and related organizations can provide things like matching deposits or revolving loans to help families strategize and save for the future.

Before any of that can happen, though, it is essential to begin thinking and talking about policy in these terms again. Words create norms, and today, the norms of civic togetherness have largely disappeared from serious discussions about enduring public-policy challenges. Given the lessons of the past two decades, that needs to change.